

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7981

BILL NUMBER: HB 1932

DATE PREPARED: Jan 24, 1999

BILL AMENDED:

SUBJECT: Flexible Grants for Schools.

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill would create a flexible grant program for elementary and secondary schools that combines monies appropriated for various individual programs from the State General and other Funds. It would permit school corporations to determine the allocation of distributed grant monies from the Department of Education (the Department) among the various programs that were formerly funded with specific appropriations.

It would repeal the following existing specific grants: 1) ADA Flat Grant; 2) Alternative Schools Grant; 3) Computer Learning and Training; 4) Early Intervention and Reading Recovery; 5) Education Services Centers; 6) Education Technology and the 4Rs Program; (7) Gifted and Talented Education; 8) Innovative School Improvements; 9) Primetime; 10) Professional Development Grants; 11) Remediation, Excluding Testing; 12) School Libraries; 13) Special Education Preschool; 14) Summer School; 15) Technical Preparation Programs; and 16) Textbook and Financial Assistance Reimbursement.

It would authorize school corporations to use the newly created flexible grant for the following: 1) Alternative Schools; 2) Class Size Reduction; 3) Computer Learning and Training; 4) Early Intervention and Reading Recovery; 5) Education Services Center Support; 6) Gifted and Talented Children; 7) Professional Development; 8) Remediation; 9) School Improvements; 10) School Libraries; 11) Special Education Preschool; 12) Summer School; 13) Technology Programs; 14) Textbooks and Financial Assistance; and 15) the 4Rs Program.

Effective Date: July 1, 1999; July 1, 2000.

Explanation of State Expenditures: The Department would experience a minimal increase in administrative time fulfilling the requirements of this bill, and would be able to absorb any additional costs within its budget.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill would allow school corporations to receive flexible grants from the Department based on a school corporation's ADM. School corporations would be allowed to use grants for only the 14 authorized programs listed above in the Summary of Legislation. In addition, this bill would specifically prohibit the use of flexible grant monies for the following: 1) athletics; 2) base salaries for school personnel; and 3) to determine a school corporation's General Fund levy and state tuition support in accordance with the school funding formula.

The Department would make distributions for these programs to school corporations at the same time state tuition support distributions are made (on a monthly basis). Annual distributions to school corporations would range from approximately \$48,000 to approximately \$11 M.

This bill makes no appropriation, however, for FY 1998 and FY 1999, approximately \$222 M per year was appropriated for the specific grants from the State General and other Funds.

State Agencies Affected: Department of Education.

Local Agencies Affected: School Corporations.

Information Sources: State on Indiana, List of Appropriations (July 1, 1997 to June 30, 1999); DOE SAS Data Sets.